



Ruby Series - Closed End 2nd Lien – Standard and Alt Doc

Ruby 2 nd Lien - Eligibility				
Loan Amount/Credit Score/CLTV Matrix				
Standard Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
\$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
Alt Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
\$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
General Requirements				
Product and Term	<ul style="list-style-type: none"> Fixed Rate - Fully amortizing terms of 10, 15, 20, 25 & 30 years. 			
Loan Amounts	<ul style="list-style-type: none"> Min: \$75,000 Max: \$500,000 			
Loan Purpose	<ul style="list-style-type: none"> Stand-Alone Cash Out (Simultaneous/Piggyback not allowed) 			
Occupancy	<ul style="list-style-type: none"> Primary, Second Home, Investment 			
Cash-Out	<ul style="list-style-type: none"> Max cash-out: \$500,000 			
Eligible Borrower	<ul style="list-style-type: none"> U.S. Citizen Permanent Resident Alien 			
State Restrictions	<ul style="list-style-type: none"> Not Eligible: <ul style="list-style-type: none"> Texas Hawaii lava zones 1 & 2 Puerto Rico, Guam, & the US Virgin Islands not eligible Restricted: <ul style="list-style-type: none"> CT, IL, NJ, NY (Max CLTV 80%, Min FICO 720) 			
Income Requirements				
Standard Doc	<ul style="list-style-type: none"> Wage/Salary: Paystubs, 1or 2-years W-2s, IRS Form 4506-C, Verbal VOE Self-Employed: 1 or 2-Years of Personal and Business (If applicable) Tax Returns, YTD P&L, IRS Form 4506-C 			
Personal Bank Statements	<ul style="list-style-type: none"> 24 or 12-months of Personal and 2-months of business bank statements Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements The business bank statements must reflect business activity and transfers to the personal account 			
Business Bank Statements	<ul style="list-style-type: none"> 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> Fixed Expense Ratio (50%) Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10% 			

	<ul style="list-style-type: none"> ○ 3rd party prepared Profit & Loss Statement (CPA or EA)
IRS Form 1099	<ul style="list-style-type: none"> ● 2-Years or 1-Year 1099 ● Fixed Expense Ratio of 10% ● YTD documentation to support continued receipt of income

Pre-close Reverification of employment	<ul style="list-style-type: none"> ● Verbal VOE within 10-days wage/salary ● Business verification for S/E by 3rd party within 10-days of Note Date
Underwriting Requirements	
Underwriting	<ul style="list-style-type: none"> ● Loans must be manually underwritten based on applicable doc type.
Application	<ul style="list-style-type: none"> ● FNMA Form 1003 - Current version of the Uniform Residential Loan Application
Age of Documents	<ul style="list-style-type: none"> ● Credit Documents: May not be over 90-days old at the time of closing. ● Appraisals: May not be over 120-days old at time of closing.
Gap Credit	<ul style="list-style-type: none"> ● A Gap report within 10-days of closing or Debt monitoring report required.
Qualifying Credit Score	<ul style="list-style-type: none"> ● Determine a representative score for each borrower using middle of 3 scores or lower of 2, use lowest representative score amongst all borrowers. ● Rapid rescoring not allowed.
Housing History	<ul style="list-style-type: none"> ● 0x30x12 – verification of mortgage history required on all loans.
Credit Events	<ul style="list-style-type: none"> ● Foreclosure: 84 month waiting period ● Short Sale, Deed in Lieu, Modification: 60 month waiting period ● Any Bankruptcy: 60 month waiting period ● Forbearance: 24 months of consecutive payments since exiting plan
Tradelines	<ul style="list-style-type: none"> ● A minimum of three (3) tradelines: <ul style="list-style-type: none"> ○ One currently open and active for at least 24-months based upon the credit report pull date. ○ The other 2 must have reported for a minimum of 12-months but can be open or closed.
Maximum DTI Ratio	<ul style="list-style-type: none"> ● 80% CLTV: Maximum DTI ratio 50% ● 90% CLTV: Maximum DTI ratio 45%
Appraisal and Property	
Eligible Property	<ul style="list-style-type: none"> ● Single Family ● PUD attached or detached ● FNMA Warrantable Condo (Max CLTV 80%)
Appraisals	<ul style="list-style-type: none"> ● HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. <p><u>Loan Amount <=\$250,000</u></p> <ul style="list-style-type: none"> ● AVM from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or ● Exterior Drive-By appraisal (Hybrid or 2055), or ● New Appraisal (FNMA Form 1004/1025/1073), or ● Prior 1st lien appraisal dated within 12 months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, and

	<ul style="list-style-type: none"> ○ Recertification of value by the original appraiser. <p><u>Loan Amount >\$250,000</u></p> <ul style="list-style-type: none"> ● New Appraisal (FNMA Form 1004/1025/1073), or ● Prior 1st lien appraisal dated within 12 months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, and ○ Recertification of value by the original appraiser, and ○ An AVM from approved vendor with acceptable FSD. ○ The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV.
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AVM and FSD Score	The following AVM vendors are acceptable:	
	AVM Vendor	Acceptable FSD Score at 90%
	Clear Capital	<= 0.13
	Collateral Analytics	<= 0.10
	House Canary	<= 0.10
	Red Bell Real Estate	<= 0.10
Property Condition Report	<ul style="list-style-type: none"> ● When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property’s physical condition and characteristics. 	
Property	<ul style="list-style-type: none"> ● Minimum property size 750 Square Feet ● Condition Rating of C5/C6 not eligible ● Any property located in a declining market as reported by the appraiser requires a 5% CLTV reduction. 	
Recently Listed Properties	<ul style="list-style-type: none"> ● Properties listed for sale in the past 6-months are not eligible 	
Title Insurance	<ul style="list-style-type: none"> ● Owner and Encumbrance Report for loan balances less than or equal to \$250,000, or ● Alta Full Title Policy, or ● Residential Limited Coverage Junior Policy 	
Homeowners Insurance	<ul style="list-style-type: none"> ● Use of the existing coverage amount is permitted. Loss payee clause must reflect AmeriTrust Mortgage Corporation as additional insured. 	
HPML Loan	<ul style="list-style-type: none"> ● Evidence of senior lien escrow account for hazard insurance and property tax is required if the subject loan is a HPML. ● In no case will an escrow be created with the 2nd lien servicer. 	
Ineligible Senior Liens	<ul style="list-style-type: none"> ● Senior liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Loans in active forbearance or deferment ○ Negative amortization ○ Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien ○ Reverse Mortgages ○ Private Mortgages 	
Ineligible Loan Features	<ul style="list-style-type: none"> ● Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. ● Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. ● Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months. 	

	<ul style="list-style-type: none">• Purchase transaction• All existing subordinate liens must be satisfied. No resubordinated permitted.• All Solar Panel loans and leases must be paid off
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